

RESOLUTION NO. _____**A RESOLUTION TO DECLARE THE OFFICIAL INTENT OF THE CITY UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, TO BORROW MONEY BY THE ISSUANCE OF TAX ALLOCATION BONDS TO REIMBURSE THE COSTS OF CONSTRUCTING, ACQUIRING, EQUIPPING AND FURNISHING IMPROVEMENTS TO THE CITY'S QO1214 REDEVELOPMENT PROJECT.**

BE IT RESOLVED by the Council (the **"Council"**) of the City of Lincoln, Nebraska (the **"City"**) as follows:

Section 1. Findings.

(a) The City will enter into a QO1214 Project Redevelopment Agreement (the **"Agreement"**) under which the City will agree to make certain improvements within the QO1214 Project Area (as defined in the Agreement) at its expense (the **"City Project"**) in connection with the QO1214 Project (as defined in the Agreement).

(b) The City has begun planning, acquiring, constructing, equipping and furnishing the City Project and on or after May 22, 2006, the City anticipates spending funds in the amount of \$3,000,000 to pay costs of the City Project.

(c) It is necessary, desirable, advisable and in the best interests of the City that it continue planning, acquiring, constructing, equipping and furnishing the City Project, which will require the expenditure of money by the City prior to the issuance of QO1214 Redevelopment Project Tax Increment Bonds (the **"Bonds"**) in accordance with the provisions of its Home Rule Charter and the Constitution and laws of the State of Nebraska to finance the costs of the City Project.

(d) The City desires to preserve its ability to reimburse such expenditures under the provisions of the Internal Revenue Code of 1986, as amended (the **"Code"**), and the applicable regulations and rulings thereunder (the **"Regulations"**).

(e) The Regulations require that the City declare its official intent to reimburse any original expenditures (other than (a) expenditures to be paid or reimbursed from sources other than the Obligations, (b) expenditures constituting "preliminary expenditures" within the meaning of Section 1.150-2(f)(2) of the Regulations, or (c) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations)) for costs of the City Project (the **"Reimbursable Expenditures"**) with the proceeds of tax-exempt obligations not later than 60 days after the payment of such expenditures.

(f) The Regulations generally require that the Bonds be issued and a reimbursement allocation be made from the proceeds of the Bonds within 18 months after the later of the date the original expenditure is paid or the date the City Project is placed in service or abandoned, but in no event more than 3 years after the original expenditure is paid.

Section 2. Declaration of Intent and Related Matters.

(a) In accordance with the provisions of the Regulations, the City hereby declares its official intent to reimburse all or a portion of the costs of the City Project from the proceeds of the Bonds, the interest on which will be excludable from gross income for federal income tax purposes under Section 103 of the Code. Prior to the issuance of the Bonds, the City is authorized to advance approximately \$3,000,000 from the General Fund to pay a portion of the costs of planning, acquiring, constructing, equipping and furnishing the City Project.

(b) Except for (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures constituting “preliminary expenditures” within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the City Project have been paid by the City more than 60 days prior to the date of adoption of this Resolution.

(c) The reasonably expected source of funds to be used to pay debt service on the Bonds will be the net revenues of the City’s parking facilities, which shall be pledged to the payment of the principal of and interest on the Bonds.

(d) The Bonds shall be issued in such amount and upon such terms and conditions as may be agreed upon by the City and the purchaser(s) of the Bonds for the purpose of paying all or a portion of the costs and expenses incident to the planning, acquisition, construction and financing of the City Project, the Bonds to be authorized by the Council at a meeting to be held for such purpose.

(e) As of the date of this Resolution, there are no funds of the City reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the City Project, other than pursuant to the issuance of the Bonds. This Resolution is consistent with the budgetary and financial circumstances of the City as they exist or are reasonably foreseeable on the date hereof.

Section 3. Authorizations.

(a) The Finance Director and the City Controller (each an “**Authorized Officer**”) be, and each of them is, authorized to take such further action as such Authorized Officer shall deem necessary or desirable without further action by the Council to carry out the transactions contemplated by this Resolution.

(b) The Authorized Officers be, and each of them hereby is, authorized to execute on behalf of the City and to deliver any and all other instruments and documents including, but not limited to, such certificates or instruments as may be required under the terms of this Resolution necessary to be executed and delivered in connection with this Resolution and the approvals made hereby.

(c) The Authorized Officers shall be responsible for making the “reimbursement allocations” described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make payment of the prior costs of the City Project. Each allocation shall be evidenced by an entry on the official books of the City maintained for the City Project and shall specifically identify the original expenditure being reimbursed.

Section 4. Ratification. All acts and deeds heretofore done by any officer, employee or agent of the City on behalf of the City to preserve the ability of the City to reimburse expenditures made from and after the date of adoption of this Resolution with respect to the City Project by the City through the issuance of the Bonds and other transactions contemplated by this Resolution are hereby ratified, confirmed and approved in all respects.

Section 5. Effective Dates. This Resolution shall be in full force and effect from and after its passage and adoption by the Council.

Section 6. Conflicting Resolutions Repealed. All resolutions, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

INTRODUCED BY:

PASSED _____, 2006.

ABSENT OR NOT VOTING:

AYES: _____

NAYS: _____

Approved as to Form:

City Attorney

Bond Counsel

CONFLICT OF INTEREST:

APPROVED: _____, 2006.

Mayor